

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**State Health Insurance
Assistance Program**

Assistance to Beneficiaries



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EXECUTIVE SUMMARY

PURPOSE

To assess the State Health Insurance Assistance Program (SHIP) performance in providing information, counseling, and assistance to Medicare beneficiaries by examining those impacted by non-renewal of managed care organizations (MCOs).

BACKGROUND

The Secretary of the Department of Health and Human Services has stressed the need to improve and expand educational services to Medicare beneficiaries. The Centers for Medicare & Medicaid Services (CMS) is undertaking broad-based initiatives to address this educational need. The SHIPs are one part of this program. They provide information, counseling, and referral services to Medicare beneficiaries at the local level. The SHIP counselors, most of whom are volunteers, carry out this assistance through in-person or telephone counseling, developing and distributing written materials, and conducting group seminars and presentations.

Over the past 4 years, many MCOs have either withdrawn from the Medicare program or reduced their service area, thereby affecting over 2.2 million beneficiaries. We evaluated how well SHIPs served beneficiaries affected by these MCO non-renewals. We conducted a mail survey with a national stratified random sample of Medicare beneficiaries who received notice of their MCO non-renewal in Calendar Year (CY) 2000 because these beneficiaries were more likely to seek information and counseling services about their Medicare coverage in response to the non-renewal of their HMO. Further, we gathered information from SHIP directors and counselors from seven sample States, selected based upon geographic and regional differences. Such information included personal interviews, operational policies, program funding, training, and workload information.

FINDINGS

Beneficiaries in the Sample States Sought Assistance in Greater Numbers During Periods of MCO Non-renewals

Generally, call volume data from the sampled SHIPs showed increased telephone calls during the fall of CY 2000 after beneficiaries received notices of the MCO non-renewal. Directors from all sampled States and most counselors noted increased workloads, leading to delays in assisting beneficiaries. The SHIP directors and counselors describe beneficiaries seeking their assistance as angry, confused, and overwhelmed when initially contacting SHIP about the non-renewal of their managed care plan.

The SHIPs Target Their Program to Meet the Needs of the Local Community

The SHIPs use a variety of initiatives to meet the unique needs of their clients, as clients often lack knowledge of local, State, and Federal programs. They provide face-to-face counseling and referrals to Medicaid, the Social Security Administration (for Supplemental Security Income), and programs for utility assistance, housing assistance, nutrition, property tax abatement, and other local services for aged or disabled clients. SHIPs also use innovative tools to reach all eligible individuals including those with cultural differences, language barriers, and special needs such as the elderly and disabled. Beneficiaries who used SHIP services were satisfied and rated the quality of the services as average or above. Most users stated they were able to obtain the information needed to make their health care decisions.

The SHIP Counselors Believe They Are Prepared to Respond to Most Concerns, Yet Expressed Frustration with the Timeliness of MCO Non-renewal Information

Seventy-six percent of the SHIP counselors believe the training they received prepared them to respond to most concerns and questions beneficiaries may have about their health care coverage. However, while 83 percent of SHIP counselors received specific information on managed care non-renewals, only 67 percent believe the information was provided when it was needed.

Beneficiaries Are Interested in SHIP Services, Yet Most Were Unaware of the Program

Only 13 percent of the beneficiaries surveyed knew of SHIP and only 37.5 percent of these had used its services. To improve beneficiary knowledge, CMS has mailed publications designed to inform beneficiaries about available health care services, including SHIPs. These publications include a listing of contacts for SHIP and other agencies that can provide assistance and counseling as well as the national 1-800-Medicare toll-free number. Survey respondents reported that while these information sources are consulted and are useful, they remained unaware of the SHIPs.

RECOMMENDATIONS

The CMS has implemented a broad-based initiative, the National Medicare Education Program, to educate beneficiaries about the Medicare program. The program's educational sources include the toll-free number, publications, the Internet, forums, advertising, and SHIPs, just to name a few. The SHIPs fulfill an important role by economically providing personal Medicare counseling services through volunteers, many of whom are also Medicare beneficiaries. The CMS educational initiatives complement each other and each serves a role in helping to assure beneficiaries can obtain needed information and referrals in the manner that best suits their needs.

The CMS's own data indicate a significant number of beneficiaries seek individual counseling including the localized services SHIPs provide. Historically, such

individualized services were provided by Social Security field offices, but this is mostly no longer true.

We, therefore, offer the following recommendations to improve comprehensive beneficiary information and assistance services, including those provided by SHIPs.

- ▶ **Review the Appropriate Role(s) for Each Information and Referral Source to Assure Beneficiaries' Needs Are Being Met**
- ▶ **Explore Ways to Appropriately Increase Knowledge of SHIPs, Their Function, and Their Local Telephone Number in CMS Publications or Through Other Methods**
- ▶ **Coordinate Closely with SHIPs To Ensure Timely Dissemination of MCO Non-renewal Information**

AGENCY COMMENTS

In its written response to the report, CMS addressed the three report recommendations as a single recommendation. In essence, CMS agreed with the last recommendation but not the first two. The CMS believes that exploring the appropriate role for all information and referral sources goes beyond the scope of the study. The CMS also expressed concern with our recommendation to modify their publications and notices, citing the possibility of inappropriate beneficiary contacts to SHIPs.

The overall effectiveness of SHIPs, in the context of all available information sources, was within the scope of our study. We used Medicare beneficiaries experiences with HMO non-renewals not to limit the scope of our study, but rather to provide a means to understand how the SHIPs work, how beneficiaries make use of all the information sources available to them, and how SHIPs assist beneficiaries with making choices regarding their Medicare coverage. We clarified this in our methodology section.

We found that the SHIPs are uniquely positioned to provide local information and referral services to diverse groups of Medicare beneficiary, irrespective of the beneficiaries' information needs. Given that CMS is implementing a broad-based initiative to educate beneficiaries about the Medicare program and given that beneficiaries are seeking information sources when faced with non-renewal of MCOs, we believe it is an appropriate time to review the role of the various information and referral sources.

In addition, we continue to recommend modification to notices and publications to prominently display SHIP as well as other CMS beneficiary information, since 87 percent of the beneficiaries we contacted were not aware of the SHIP program.

We have made revisions to the report based on CMS's comments. The full text of CMS's comments is contained in Appendix D.